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A Sidelight on Nixon's Career

By Drew Pearson

When this columnist first saw the stock market manipulations of Sen. Elmer Thomas (D-Ohio), I suggested to Wayne Morse (R-Ore.) that he introduce legislation requiring every member of Congress to file with the Securities and Exchange Commission a statement of his holdings in stocks, bonds, commodities and the clients of his law firm.

Morse introduced such legislation. The only other Senator who strongly favored such a move was Glen Taylor (D-Idaho). He put his name on the bill as cosponsor.

When I talked to several Senators who expressed interest, none except Almon R. B. and Sparkman of Texas was willing to cosponsor the bill. I regret to say, did not pass. Had it passed, the "affair Nixon" would not have occurred, since his gifts and any operations by his law partners would have been a matter of public record.

The advantage of making this a public record, of course, is to let the voters back home judge whether or not a Senator's vote is influenced by those who may have contributed to him or his law firm.

I still believe that such a bill should be passed together with an increase in Congressmen's salaries. I also believe that every candidate for President should be required to file with the Federal Election Commission a statement of his holdings in stocks, bonds, commodities and the clients of his law firm.

When the Senate passed the bill, Reps. Walter and Keating struck off Malaxa's name, though Hillings did his best to reinstate it.

As far as the human aspects of the case are concerned, I believe Nixon was right. Malaxa got caught in a crossfire of controversy between different Romanian groups, and is paying the penalty.

However, the interesting thing is whether Nixon, who has been very suspicious of anyone who associated with Communists, was influenced by charity or by other motives.

An Interesting Firm

Nixon, in his television report to the Nation, reported on his financial affairs. But he omitted certain facts about his senatorial career which may have a bearing on his finances.

For instance, Nixon's law partner, Thomas Bewley, is secretary of an interesting 12-million-dollar company which plans to build seamless pipe in California, the Western Tube Corp. The man really behind this corporation is a Romanian, Nicolai Malaxa, regarding whom there has been considerable controversy as to whether he is pro-Communist.

(Rep. Keating of New York, a Republican, and Rep. Walter of Pennsylvania, a Democrat, both have objected vigorously to letting Malaxa reside permanently in the United States. It has been pointed out that Malaxa enjoyed excellent relations with the Communists after the Soviet occupied Romania, and was one of the few industrialists who got the Soviet to return three of his factories, seized under a previous Romanian regime.)

The Communist government, it was charged, even paid him half a million dollars for the profits he could have made during the period these factories were taken from him.

It was also charged that Malaxa sent jewelry to Ana Pauker, former Communist boss of Romania, and finally was able to get \$2,400,000 out of Romania.

Nixon Intercedes

This year, Senator Nixon interceded for Malaxa, and through his friend, Sen. Pat McCarran of Nevada, and his friend, Rep. Pat Hillings of California, who took Nixon's place in the House, Malaxa's name was placed on a bill giving him permanent residence in the United States.

The bill passed the Senate, but when it got to the House, Reps. Walter and Keating struck off Malaxa's name, though Hillings did his best to reinstate it.

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A Potent Letter

Nixon also has done an important favor for Malaxa's firm in a Federal tax case.

On May 16, 1952, Malaxa's company applied to the National Production Authority for a certificate of necessity to build a seamless tube factory. A certificate of necessity shows that the plant is so important to defense that the company can get its depreciation allowance increased, and thus write off the cost of the plant in five years or so.

However, the NPA apparently did not think Western Tube was too essential to the defense, because no tax reduction certificate was granted.

At this point, Nixon got busy.

He wrote a letter to Malin Fleischmann, NPA administrator, telling him how essential Malaxa's plant was to California. The letter was written in Nixon's office, and on the stationery of Nixon's Labor and Commerce Committee. To strengthen his position, Nixon got his former colleague from California, Wil-

liam Knowland, to sign the letter also.

The letter did the trick. Application had lain in NPA for four months. After receipt of the letter, the NPA acted within a few days. Malaxa's firm got a tax reduction of 60 percent on \$10,228,897.

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Monday, 29 September 1952

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For instance, NIXON's law partner, Thomas BFWLFY, is secretary of an interesting 12 million dollar company which plans to build seamless pipe in California, the Western Tube Corporation. The man really behind this corporation is a Rumanian, Nicola MALAXA, regarding whom there has been considerable controversy as to whether he is pro-Communist.

Representative KEATING of New York, a Republican, and Representative WALTER of Pennsylvania, a Democrat, both have objected vigorously to letting MALAXA reside permanently in the United States. It has been pointed out that MALAXA enjoyed excellent relations with the Communists after the Soviet occupied Rumania, and was one of the few industrialists who got the Soviet to return three of his factories, seized under a previous Rumanian regime.

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